

BW 03

Ymchwiliad i Fudd-daliadau yng Nghymru: opsiynau i'w cyflawni'n well

Inquiry into Benefits in Wales: options for better delivery

Ymateb gan: Seicolegwyr dros Newid Cymdeithasol De Cymru

Response from: Psychologists for Social Change South Wales.

## **Psychologists for Social Change Response**

Psychologists for Social Change regrets it is unable to provide a Welsh language version of this document. PSC is an organisation made up entirely of volunteers and receives limited funding to carry out its work.

### **1. Arguments for and against the devolution of welfare benefits;**

In Wales today, one in four people live in poverty; the highest of all the UK nations. For children this figure rises to one in three. Those children are carrying immense strain; more than half of Welsh children in low-income families are worried their parents are finding it harder to pay for everyday essentials such as food, heating and clothes. A quarter of their parents report frequently skipping meals and say stress about money affects their relationship with their children. At the end of 2016 [nearly 1,200 children were admitted to hospital after harming themselves](#); a 41% rise over three years.

These issues are complex but there is overwhelming evidence of the relationship between [poverty, inequality, and mental health difficulties](#), and a [strong connection between socioeconomic deprivation and suicidal behaviour](#). Mental health problems are associated with markers of low income and socioeconomic status in all the developed nations, no matter which indicator is used. There are a number of indicators of higher levels of mental health problems following austerity including a documented rise in antidepressant prescriptions, GPs reporting increasing numbers of mental health appointments, and a marked rise in male suicides. Since the financial crisis, suicides have increased in European countries that have adopted austerity policies (UK, Greece, Spain and Portugal), [but not in those who have protected their welfare state](#) (Iceland and Germany).

Sheer luck dictates whether children are born into a situation with more material and social wealth than others. However, without this advantage inequality can deepen over a child's lifetime, leading to an increase in mental health problems and suicide risk that can take families generations to recover from. These disadvantages begin at a policy level and have been made worse in recent years by the continued decimation of the welfare system and community facilities (e.g. youth services) that provided a safety net for our most disadvantaged young people. Experts expect the

effects of austerity to continue to worsen further under current UK government policies, with [poverty and inequality increasing until the middle of the next decade](#).

The new universal credit system is further exacerbating these problems. Under the new system rent arrears are set to treble. This will push already vulnerable families into deeper poverty and homelessness. We know that UC has already pushed families in [Swansea into arrears of £73,000](#) following the first two months of its roll out. The reduction in the waiting time for UC payments is not enough to save people from being evicted from their homes, having to depend on food banks, and living in debt. As such the consequences of universal credit will have a further significant impact on the mental health and wellbeing of an estimated 140,000 households across Wales.

[Feeling trapped, such as by debt, is a key cause of depression and anxiety](#). Long-term it nearly trebles the chances of anxiety and depression. Central to feeling trapped is a loss of hope in the possibility of being able to change life for the better. Feeling [powerless is also a key component of many psychotic experiences](#), such as paranoia. Mental health problems are responses to difficult life circumstances, which means trapping people into situations of trauma, abuse and neglect can create lifelong problems.

In our practice and clinics we see the current welfare system doing just that. We see it in such quantities and as such a problem that we recently wrote a letter to the First Minister signed by 58 Clinical Psychologists, third sector mental health charities and others asking him to consider [seeking powers over the administration of Universal Credit and the welfare system akin to those available to the Scottish Government](#), and to **support the Wellbeing of Future Generations Commissioner to embed (with equal merit to health determinants) the [social determinants of mental health](#) into the Wellbeing of Future Generations Act (2015)**. You can find that letter [here](#). These are prime opportunities to embed in Welsh culture and public service practice truly preventative measures that are known to create prosperity for all.

Poverty in Wales is not just an austerity issue or a universal credit issue. The communities in Wales that were impacted by the closure of industry during the 1980's represent some of the hardest hit by the UK government's austerity programme and universal credit system. A 'doubling down' of social disadvantage that has a profound impact on our children and young people. In order to genuinely ensure the wellbeing of future generation it would be paramount to address the problems with the Universal Credit system. We believe the Wellbeing of Future Generations Act places a duty of Welsh Government to plan for the devastating impact Universal Credit is having on its population's wellbeing and future health.

Many Welsh communities have suffered losses for far longer than the recent austerity agenda and have internalised beliefs which have created intergenerational and entrenched apathy, hopelessness and intolerance. Welsh Government had made strides towards reducing health inequalities and improving population health outcomes and whilst we respect that there may be a change of UK government that could amend the Universal Credit system short term we do not yet know what additional difficulties the Brexit deal will bring.

Wales is one of the areas of the UK anticipated to lose out the most. Not only is [Cardiff in the top 5 of the cities most reliant on the EU market](#) but nearly two-thirds (60.9%) of exports from Wales in 2018 went to the EU. This is much higher than the 44% of other UK exports which go there. On top of our higher economic reliance on the EU, Wales also receives EU funds that are 6x higher than that of England and Scotland (3x more than Northern Ireland). Whilst it is not within the Welsh Government's powers to reverse austerity or Brexit it is up to us to ensure every possible defence is employed. The current social security system that Wales shares with England ["fosters insecurity for too many people"](#). This exacerbates and contributes to poor wellbeing and is only increasing the prevalence of adverse childhood experiences (ACEs) amongst the population.

Therefore in an unpredictable, unknown and ever changing context it would appear prudent to consider, like Scotland has, the repatriation of responsibility for all or key parts of welfare where great gains and better delivery could be made in light of pressing and unique local need. Like the NHS, our social security system is there for all of us in our time of need. It should provide security, dignity and the basics in life should we become sick or disabled, or fall on hard times.

This isn't just about 'the poor'. Public services and systems that promote psychological prosperity are good for us all. Inequality has a documented negative impact on our collective well-being, irrespective of household income, but especially if you are less well off. Societies with higher levels of inequality have parents and children with lower levels of psychological well-being and higher levels of anxiety. Inequality erodes trust and social cohesion which impacts upon how safe and supportive a society or community feels. The gap between our richest and poorest parts is [wider than in any EU country](#). Incomes per head in inner London are five times as high as in the Welsh valleys. A supportive social security system with an ethos and approach that doesn't demonise its users but helps them thrive ultimately helps all of us.

**3. options for different forms of devolution (i.e. Universal Credit flexibilities, the devolution of specific benefits, the ability to create new benefits etc.);**

We appreciate that on balance devolution of Social Security may be a longer term process or not the best option for Wales when all evidence is weight up. If this is the case we would advocate for control over those processes, where ever possible, that will improve the experience of the current system. You will see from our principles below that the DWP approach doesn't not embody a psychological prosperous, supporting, respecting approach, nor does it treat people with dignity. In addition to encouraging the DWP to change its practice if there are approaches that could, for example, reduce waiting time for payments, improve the PIP process or manage rent arrears we would welcome these.

## **5. The principles that could underpin the delivery of benefits in Wales**

There are [five damaging psychological costs](#) associated with poverty and austerity approaches: (1) Humiliation and Shame; (2) Fear and Distrust, (3) Instability and Insecurity; (4) Isolation and Loneliness; and (5) Being trapped and Powerless. These five ailments manifest in many powerful ways including increasing [anxiety, depression and suicide risk](#). The current social security system demonises people and is not modelled that supports psychological prosperity. It exacerbates and fosters this instead.

We would like the delivery of Social Security in Wales (devolved in whole/part or otherwise) to be underpinned by known key markers that indicate a society that is equal, participatory and cohesive. Some of the important indicators of a psychologically healthy society are: 1. agency, 2. security, 3. connection, 4. meaning, and 5. trust. Like the Scottish social security system we would hope a Welsh equivalent would also place respect and dignity at its heart whilst being supportive and enabling.